

**GENERAL RATE CASE USING A FULLY-FORECASTED TEST PERIOD**

(Except Sewers)

Filing Requirements Checklist

(Applicable Regulation: 807 KAR 5:001, Sections 8 and 10)

Case No. \_\_\_\_\_ Utility Name \_\_\_\_\_ Received Date \_\_\_\_\_ Form Circulation Date \_\_\_\_\_

Instructions:

- 1) Each Division noted by checkmark ( ) is to complete its review and pass on within two days of receipt.
- 2) This form is to list only the specific filing deficiencies as identified in the regulations. If additional information is needed, an information request must be issued.
- 3) Staff member should use initials and list date review is completed.
- 4) Return to Docket Section following review by all Divisions.

Reviewed by Following Divisions:

	<u>Staff Member</u>	<u>Date</u>
_____ Filings Division	_____	_____
_____ Financial Analysis	_____	_____
_____ Engineering	_____	_____
_____ Legal	_____	_____

<u>Division Responsible</u>	<u>Law/Regulation</u>	<u>Filing Requirement</u>	<u>Require-ment Met</u> <u>YES NO</u>	<u>Waiver Requested</u>	<u>Approve Waiver?</u> <u>YES NO</u>
Legal	KRS 278.180	30 days' notice of rates to PSC (no effective date = no notice given; this is acceptable)	____	____	____
	<u>807 KAR 5:001:</u>				
Filings Division	Section 8(1)	Full name and P. O. address of applicant and reference to the particular provision of law requiring PSC approval.	____	____	____
Filings Division	Section 8(2)	The original and 10 copies of application plus copy for anyone named as interested party.	____	____	____
Legal	Section 10(1) (b)(1)	Reason adjustment is required.	____	____	____

Division Responsible	Law/Regulation	Filing Requirement	Require- ment Met		Waiver Requested	Approve Waiver?	
			YES	NO		YES	NO
Legal	Section 10(1) (b)(2)	Statement that utility's annual reports, including the most recent calendar year, are filed with PSC. 807 KAR 5:006, Section 3(1)	___	___	___	___	___
Legal	Section 10(1) (b)(3) and (5)	If utility is incorporated, certified copy of articles of incorporation and amendments or out of state documents of similar import. If they have already been filed with PSC refer to the style and case number of the prior proceeding <u>and</u> file a certificate of good standing or authorization dated within 60 days of date application filed.	___	___	___	___	___
Legal	Section 10(1) (b)(4) and (5)	If applicant is limited partnership, certified copy of limited partnership agreement. If agreement filed with PSC refer to style and case number of prior proceeding <u>and</u> file a certificate of good standing or authorization dated within 60 days of date application filed.	___	___	___	___	___
Legal	Section 10(1) (b)(6)	Certified copy of certificate of assumed name required by KRS 365.015 or statement that certificate not necessary.	___	___	___	___	___
Financial Analysis	Section 10(1) (b)(7)	Proposed tariff in form complying with 807 KAR 5:011 effective not less than 30 days from date application filed.	___	___	___	___	___
Financial Analysis	Section 10(1) (b)(8)	Proposed tariff changes shown by present and proposed tariffs in comparative form or by indicating additions in italics or by underscoring and striking over deletions in current tariff.	___	___	___	___	___
Legal	Section 10(1) (b)(9)	Statement that notice given, see subsections (3) and (4) of 807 KAR 5:001, Section 10 with copy.	___	___	___	___	___
Legal	Section 10(2)	If gross annual revenues exceed \$1,000,000, written notice of intent filed at least 4 weeks prior to application. Notice shall state whether application will be supported by historical or fully forecasted test period.	___	___	___	___	___
Financial Analysis	Section 10 (8)(a)	Financial data for forecasted period presented as pro forma adjustments to base period.	___	___	___	___	___
Financial Analysis	Section 10 (8)(b)	Forecasted adjustments shall be limited to the 12 months immediately following the suspension period.	___	___	___	___	___
Financial	Section 10	Capitalization and net investment rate base shall be based	___	___	___	___	___

Division Responsible	Law/Regulation	Filing Requirement	Requirement Met <u>YES</u> <u>NO</u>		Waiver Requested	Approve Waiver? <u>YES</u> <u>NO</u>	
Analysis	(8)(c)	on a 13 month average for the forecasted period.					
<b>UTILITIES USING A FULLY FORECASTED TEST PERIOD SHALL INCLUDE THE FOLLOWING INFORMATION OR A STATEMENT EXPLAINING WHY THE REQUIRED INFORMATION DOES NOT EXIST AND IS NOT APPLICABLE TO THE UTILITY'S APPLICATION:</b>							
Financial Analysis	Section 10 (9)(a)	Prepared testimony of each witness supporting its application including testimony from chief officer in charge of Kentucky operations on the existing programs to achieve improvements in efficiency and productivity, including an explanation of the purpose of the program;	___	___	___	___	___
Engineering	Section 10 (9)(b)	Most recent capital construction budget containing at minimum 3 year forecast of construction expenditures;	___	___	___	___	___
Financial Analysis	Section 10 (9)(c)	Complete description, which may be in prefiled testimony form, of all factors used to prepare forecast period. All econometric models, variables, assumptions, escalation factors, contingency provisions, and changes in activity levels shall be quantified, explained, and properly supported;	___	___	___	___	___
Financial Analysis	Section 10 (9)(d)	Annual and monthly budget for the 12 months preceding filing date, base period and forecasted period;	___	___	___	___	___
Legal	Section 10 (9)(e)	Attestation signed by utility's chief officer in charge of Kentucky operations providing:					
		1. That forecast is reasonable, reliable, made in good faith and that all basic assumptions used have been identified and justified; and	___	___	___	___	___
		2. That forecast contains same assumptions and methodologies used in forecast prepared for use by management, or an identification and explanation for any differences; and	___	___	___	___	___
		3. That productivity and efficiency gains are included in the forecast;	___	___	___	___	___
Engineering	Section 10 (9)(f)	For each major construction project constituting 5% or more more of annual construction budget within 3 year forecast, following information shall be filed:					
Engineering		1. Date project began or estimated starting date;	___	___	___	___	___

Division Responsible	Law/Regulation	Filing Requirement	Require- ment Met		Waiver Requested	Approve Waiver?	
			YES	NO		YES	NO
Engineering		2. Estimated completion date;	___	___	___	___	___
Engineering		3. Total estimated cost of construction by year exclusive and inclusive of Allowance for Funds Used During Construction ("AFUDC") or Interest During Construction Credit; and	___	___	___	___	___
Engineering		4. Most recent available total costs incurred exclusive and inclusive of AFUDC or Interest During Construction Credit;	___	___	___	___	___
Engineering	Section 10 (9)(g)	For all construction projects constituting less than 5% of annual construction budget within 3 year forecast, file aggregate of information requested in paragraph (f) 3 and 4 of this subsection;	___	___	___	___	___
Financial Analysis	Section 10 (9)(h)	Financial forecast for each of 3 forecasted years included in capital construction budget supported by underlying assumptions made in projecting results of operations and including the following information:					
		1. Operating income statement (exclusive of dividends per share or earnings per share);	___	___	___	___	___
		2. Balance sheet;	___	___	___	___	___
		3. Statement of cash flows;	___	___	___	___	___
		4. Revenue requirements necessary to support the forecasted rate of return;	___	___	___	___	___
		5. Load forecast including energy and demand (electric);	___	___	___	___	___
		6. Access line forecast (telephone);	___	___	___	___	___
		7. Mix of generation (electric);	___	___	___	___	___
		8. Mix of gas supply (gas);	___	___	___	___	___
		9. Employee level;	___	___	___	___	___
		10. Labor cost changes;	___	___	___	___	___
		11. Capital structure requirements;	___	___	___	___	___
		12. Rate base;	___	___	___	___	___

<u>Division Responsible</u>	<u>Law/Regulation</u>	<u>Filing Requirement</u>	<u>Require- ment Met</u>		<u>Waiver Requested</u>	<u>Approve Waiver?</u>	
			<u>YES</u>	<u>NO</u>		<u>YES</u>	<u>NO</u>
		13. Gallons of water projected to be sold (water);	___	___	___	___	___
		14. Customer forecast (gas, water);	___	___	___	___	___
		15. MCF sales forecasts (gas);	___	___	___	___	___
		16. Toll and access forecast of number of calls and number of minutes (telephone); and	___	___	___	___	___
		17. A detailed explanation of any other information provided;	___	___	___	___	___
Financial Analysis	Section 10 (9)(i)	Most recent FERC or FCC audit reports;	___	___	___	___	___
Financial Analysis	Section 10 (9)(j)	Prospectuses of most recent stock or bond offerings;	___	___	___	___	___
Financial Analysis	Section 10 (9)(k)	Most recent FERC Form 1 (electric), FERC Form 2 (gas), or the Automated Reporting Management Information System Report (telephone) and PSC Form T (telephone);	___	___	___	___	___

<u>Division Responsible</u>	<u>Law/Regulation</u>	<u>Filing Requirement</u>	<u>Require- ment Met</u>		<u>Waiver Requested</u>	<u>Approve Waiver?</u>	
			<u>YES</u>	<u>NO</u>		<u>YES</u>	<u>NO</u>
Financial Analysis	Section 10 (9)(l)	Annual report to shareholders or members and statistical supplements for the most recent 5 years prior to application filing date;	___	___	___	___	___
Financial Analysis	Section 10 (9)(m)	Current chart of accounts if more detailed than Uniform System of Accounts chart;	___	___	___	___	___
Financial Analysis	Section 10 (9)(n)	Latest 12 months of the monthly managerial reports providing financial results of operations in comparison to forecast;	___	___	___	___	___
Financial Analysis	Section 10 (9)(o)	Complete monthly budget variance reports, with narrative explanations, for the 12 months prior to base period, each month of base period, and subsequent months, as available;	___	___	___	___	___
Financial Analysis	Section 10 (9)(p)	SEC's annual report for most recent 2 years, Form 10-Ks and any Form 8-Ks issued during prior 2 years and any Form 10-Qs issued during past 6 quarters;	___	___	___	___	___
Financial Analysis	Section 10 (9)(q)	Independent auditor's annual opinion report, with any written communication which indicates the existence of a material weakness in internal controls;	___	___	___	___	___
Financial Analysis	Section 10 (9)(r)	Quarterly reports to the stockholders for the most recent 5 quarters;	___	___	___	___	___
Engineering	Section 10 (9)(s)	Summary of latest depreciation study with schedules itemized by major plant accounts, except that telecommunications utilities adopting PSC's average depreciation rates shall identify current and base period depreciation rates used by major plant accounts. If information has been filed in another PSC case, refer to that case's number and style;	___	___	___	___	___

<u>Division Responsible</u>	<u>Law/Regulation</u>	<u>Filing Requirement</u>	<u>Require- ment Met</u>		<u>Waiver Requested</u>	<u>Approve Waiver?</u>	
			<u>YES</u>	<u>NO</u>		<u>YES</u>	<u>NO</u>
Financial Analysis	Section 10 (9)(t)	List all commercial or in-house computer software, programs, and models used to develop schedules and work papers associated with application. Include each software, program, or model; its use; identify the supplier of each; briefly describe software, program, or model; specifications for computer hardware and operating system required to run program;	___	___	___	___	___
Financial Analysis	Section 10 (9)(u)	If utility had any amounts charged or allocated to it by affiliate or general or home office or paid any monies to affiliate or general or home office during the base period or during previous 3 calendar years, file:					
		1. Detailed description of method of calculation and amounts allocated or charged to utility by affiliate or general or home office for each allocation or payment;	___	___	___	___	___
		2. Method and amounts allocated during base period and method and estimated amounts to be allocated during forecasted test period;	___	___	___	___	___
		3. Explain how allocator for both base and forecasted test period was determined; and	___	___	___	___	___
		4. All facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated or paid during base period is reasonable;	___	___	___	___	___
Financial Analysis	Section 10 (9)(v)	If gas, electric or water utility with annual gross revenues greater than \$5,000,000, cost of service study based on methodology generally accepted in industry and based on current and reliable data from single time period; and	___	___	___	___	___
Financial Analysis	Section 10 (9)(w)	Local exchange carriers with fewer than 50,000 access lines need not file cost of service studies, except as specifically directed by PSC. Local exchange carriers with more than 50,000 access lines shall file:					

Division Responsible	Law/Regulation	Filing Requirement	Require- ment Met		Waiver Requested	Approve Waiver?	
			<u>YES</u>	<u>NO</u>		<u>YES</u>	<u>NO</u>
		1. Jurisdictional separations study consistent with Part 36 of the FCC's rules and regulations; and	___	___	___	___	___
		2. Service specific cost studies supporting pricing of services generating annual revenue greater than \$1,000,000 except local exchange access:	___	___	___	___	___
		a. Based on current and reliable data from single time period; and					
		b. Using generally recognized fully allocated, embedded, or incremental cost principles.					
Financial Analysis	Section 10 (10)(a)	Jurisdictional financial summary for both base and forecasted periods detailing how utility derived amount of requested revenue increase;	___	___	___	___	___
Financial Analysis	Section 10 (10)(b)	Jurisdictional rate base summary for both base and forecasted periods with supporting schedules which include detailed analyses of each component of the rate base;	___	___	___	___	___
Financial Analysis	Section 10 (10)(c)	Jurisdictional operating income summary for both base and forecasted periods with supporting schedules which provide breakdowns by major account group and by individual account;	___	___	___	___	___
Financial Analysis	Section 10 (10)(d)	Summary of jurisdictional adjustments to operating income by major account with supporting schedules for individual adjustments and jurisdictional factors;	___	___	___	___	___
Financial Analysis	Section 10 (10)(e)	Jurisdictional federal and state income tax summary for both base and forecasted periods with all supporting schedules of the various components of jurisdictional income taxes;	___	___	___	___	___
Financial Analysis	Section 10 (10)(f)	Summary schedules for both base and forecasted periods (utility may also provide summary segregating items it proposes to recover in rates) of organization membership dues; initiation fees; expenditures for country club; charitable contributions; marketing, sales, and advertising; professional services; civic and political activities; employee parties and outings; employee gifts; and rate cases;	___	___	___	___	___
Financial Analysis	Section 10 (10)(g)	Analyses of payroll costs including schedules for wages and salaries, employee benefits, payroll taxes, straight	___	___	___	___	___



<u>Division Responsible</u>	<u>Law/Regulation</u>	<u>Filing Requirement</u>	<u>Require- ment Met</u>		<u>Waiver Requested</u>	<u>Approve Waiver?</u>	
			<u>YES</u>	<u>NO</u>		<u>YES</u>	<u>NO</u>
		time and overtime hours, and executive compensation by title;					
Financial Analysis	Section 10 (10)(h)	Computation of gross revenue conversion factor for forecasted period;	___	___	___	___	___
Financial Analysis	Section 10 (10)(i)	Comparative income statements (exclusive of dividends per share or earnings per share), revenue statistics and sales statistics for 5 calendar years prior to application filing date, base period, forecasted period, and 2 calendar years beyond forecast period;	___	___	___	___	___
Financial Analysis	Section 10 (10)(j)	Cost of capital summary for both base and forecasted periods with supporting schedules providing details on each component of the capital structure;	___	___	___	___	___
Financial Analysis	Section 10 (10)(k)	Comparative financial data and earnings measures for the 10 most recent calendar years, base period, and forecast period;	___	___	___	___	___
Financial Analysis	Section 10 (10)(l)	Narrative description and explanation of all proposed tariff changes;	___	___	___	___	___
Financial Analysis	Section 10 (10)(m)	Revenue summary for both base and forecasted periods with supporting schedules which provide detailed billing analyses for all customer classes; and	___	___	___	___	___
Financial Analysis	Section 10 (10)(n)	Typical bill comparison under present and proposed rates for all customer classes.	___	___	___	___	___

THE FOLLOWING INFORMATION SHOULD BE INCLUDED IN THE PUBLIC NOTICE: (NOTE: The commission may grant a utility with annual gross revenues greater than \$1,000,000, upon written request, permission to use an abbreviated form of published notice of the proposed rates provided the notice includes a coupon which may be used to obtain all of the information required herein.)

Division	Approve		Require-	Waiver				
<u>Responsible</u>	<u>Law/Regulation</u>	<u>Filing Requirement</u>	<u>ment Met</u>	<u>Requested</u>				
	<u>Waiver?</u>		<u>YES</u>	<u>NO</u>				
	<u>YES</u>	<u>NO</u>						
Financial Analysis	Section (10) (3)(a)	Amount of change requested in dollar amounts and percentage for each customer classification to which change will apply.	___	___	___	___	___	___
Financial Analysis	Section 10 (3)(b)	Present and proposed rates for each customer class to which change would apply.	___	___	___	___	___	___
Financial Analysis	Section 10 (3)(c)	Electric, gas, water and sewer utilities - the effect upon average bill for each customer class to which change will apply.	___	___	___	___	___	___
Financial Analysis	Section 10 (3)(d)	Local exchange companies - include effect upon average bill for each customer class for change in basic local service.	___	___	___	___	___	___
Legal	Section 10(4)	If copy of public notice included, did it meet requirements?*	___	___	___	___	___	___

\* If applicant has 20 customers or less, written notice of proposed rate changes and estimated amount of increase per customer class shall be mailed to each customer no later than date of application.

For applicants with more than 20 customers, notice of proposed rates and estimated amount of increase per customer class shall be: (1) included with customer billings before application is filed or (2) published in a trade publication or newsletter going to all customers before applications is filed or (3) published once a week for 3 consecutive weeks in a prominent manner in a newspaper of general circulation in its service area, first publication to be made within seven (7) days of the filing of the application.

If the notice is published, an affidavit from the publisher verifying the notice was published, including the dates of the publication with an attached copy of the published notice, shall be filed with the commission no later than forty-five (45) days of the filed date of the application.

If the notice is mailed, a written statement signed by the utility's chief officer in charge of Kentucky operations verifying the notice was mailed shall be filed with the commission no later than thirty (30) days of the filed date of the application.

All utilities, in addition to the above notification, shall post a sample copy of the required notification at their place of business no later than the date on which the application is filed which shall remain posted until the commission has finally determined the utility's rates. Each notice shall contain the following language:

"The rates contained in this notice are the rates proposed by \_\_\_\_\_. However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for customers other than the rates included in this notice.

"Any corporation, association, body politic or person may request leave to intervene by motion within 30 days after notice of the proposed rate changes is given. The motion shall be submitted to the Public Service Commission, 211 Sower Boulevard, P. O. Box 615, Frankfort, Kentucky 40602, and shall set forth the grounds for the request including the status and interest of the party. Intervenors may obtain copies of the application and testimony by contacting \_\_\_\_\_ at \_\_\_\_\_. A copy of the application and testimony shall be available for public inspection at the utility's offices."